GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2257
ANSWERED ON:17.03.2005
INVESTMENT IN DEFENCE PROJECTS
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Will the Minister of DEFENCE be pleased to state:

(a) whether the Government proposes to invest Rs. 10000 crore on defence projects as reported in the "Hindustan" dated February 8, 2005;

(b) if so, the details of the projects identified;

(c) whether the Government has also proposed to invite foreign investors in the defence sector; and

(d) if so, the details thereof alongwith percentage of share offered to foreign investors in these projects?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) Government has sanctioned an amount of Rs. 11,078 crores for projects such as Light Combat Aircraft (LCA), Kaveri Gas Turbine Engine and Airborne Early Warning and Control (AEW&C) System.

(b) The present status of these projects are as under:-

Light Combat Aircraft:-Three prototypes of LCA (Tejas) have completed 376 test flights including supersonic flights. Another four prototypes will join test flights during 2005. Initial Operational Clearance (IOC) is planned to be obtained by March 2007.

Kaveri Gas Turbine Engine:-Kaveri engine has completed 1300 hrs of ground and high altitude testing . First Kaveri engine is scheduled to be integrated with LCA by March 2007.

Airborne Early Warning and Control (AEW&C) System:- AEW&C was sanctioned on 6th October 2004. The system specifications vis-Ã -vis the operational requirements have been formulated. The project is likely to be completed in about seven years.

(c) & (d): Government has a policy to encourage the joint development and production with foreign investors. However, no concrete proposals have been received in this regard.